
By: **Delegates Costa and Dwyer**

Introduced and read first time: January 16, 2004

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Small Group Market - Comprehensive Standard Health**
3 **Benefit Plan**

4 FOR the purpose of requiring the Maryland Health Care Commission to require that
5 a pharmacy discount card option be included in the minimum benefits in the
6 Comprehensive Standard Health Benefit Plan offered in the small group
7 insurance market; establishing the amount of certain co-payments and
8 deductibles under the Standard Plan; and generally relating to the
9 Comprehensive Standard Health Benefit Plan offered in the small group
10 insurance market.

11 BY repealing and reenacting, with amendments,
12 Article - Insurance
13 Section 15-1207
14 Annotated Code of Maryland
15 (2002 Replacement Volume and 2003 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Insurance**

19 15-1207.

20 (a) In accordance with Title 19, Subtitle 1 of the Health - General Article, the
21 Commission shall adopt regulations that specify:

22 (1) the Comprehensive Standard Health Benefit Plan to apply under this
23 subtitle; and

24 (2) a modified health benefit plan for medical savings accounts that
25 qualify under the federal Health Insurance Portability and Accountability Act of 1996,
26 including:

27 (i) a waiver of deductibles as permitted under federal law;

- 1 (ii) minimum funding standards for medical savings accounts; and
- 2 (iii) authorization for offering the modified plan only by those
3 persons who offer the Comprehensive Standard Health Benefit Plan adopted in
4 accordance with item (1) of this subsection.
- 5 (b) The Commission shall require that the minimum benefits allowed to be
6 offered in the Standard Plan:
- 7 (1) by a health maintenance organization, shall include at least the
8 actuarial equivalent of the minimum benefits required to be offered by a federally
9 qualified health maintenance organization; [and]
- 10 (2) by an insurer or nonprofit health service plan on an
11 expense-incurred basis, shall be actuarially equivalent to at least the minimum
12 benefits required to be offered under item (1) of this subsection; AND
- 13 (3) SHALL INCLUDE A PHARMACY DISCOUNT CARD OPTION.
- 14 (c) (1) Subject to paragraph (2) of this subsection, the Commission shall
15 exclude or limit benefits or adjust cost-sharing arrangements in the Standard Plan if
16 the average rate for the Standard Plan exceeds 10% of the average annual wage in the
17 State.
- 18 (2) The Commission annually shall determine the average rate for the
19 Standard Plan by using the average rate submitted by each carrier that offers the
20 Standard Plan.
- 21 (d) In establishing benefits, the Commission shall judge preventive services,
22 medical treatments, procedures, and related health services based on:
- 23 (1) their effectiveness in improving the health status of individuals;
- 24 (2) their impact on maintaining and improving health and on reducing
25 the unnecessary consumption of health care services; and
- 26 (3) their impact on the affordability of health care coverage.
- 27 (e) The Commission may exclude:
- 28 (1) a health care service, benefit, coverage, or reimbursement for covered
29 health care services that is required under this article or the Health - General Article
30 to be provided or offered in a health benefit plan that is issued or delivered in the
31 State by a carrier; or
- 32 (2) reimbursement required by statute, by a health benefit plan for a
33 service when that service is performed by a health care provider who is licensed under
34 the Health Occupations Article and whose scope of practice includes that service.

1 (f) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
2 Standard Plan shall include uniform deductibles and cost-sharing associated with its
3 benefits, as determined by the Commission.

4 (2) THE STANDARD PLAN SHALL INCLUDE:

5 (I) A CO-PAYMENT OF \$200 FOR EMERGENCY ROOM SERVICES;

6 (II) A CO-PAYMENT OF \$50 FOR PRIMARY CARE SERVICES AND
7 SPECIALTY CARE SERVICES FOR A CARRIER THAT IS A HEALTH MAINTENANCE
8 ORGANIZATION;

9 (III) CO-PAYMENTS FOR THE FOLLOWING SERVICES THAT SHALL
10 BE THE SAME AS CO-PAYMENTS FOR SPECIALTY CARE SERVICES:

11 1. OUTPATIENT LABORATORY AND DIAGNOSTIC SERVICES;

12 2. SKILLED NURSING FACILITY SERVICES;

13 3. OUTPATIENT REHABILITATIVE AND CHIROPRACTIC
14 SERVICES; AND

15 4. OUTPATIENT SERVICES OR SURGERY; AND

16 (IV) AN ANNUAL DEDUCTIBLE OF \$1,500 FOR CARRIERS THAT
17 PROVIDE AN INDEMNITY, PREFERRED PROVIDER, OR POINT OF SERVICE DELIVERY
18 SYSTEM.

19 (g) In establishing cost-sharing as part of the Standard Plan, the Commission
20 shall:

21 (1) include cost-sharing and other incentives to help prevent consumers
22 from seeking unnecessary services;

23 (2) balance the effect of cost-sharing in reducing premiums and in
24 affecting utilization of appropriate services; and

25 (3) limit the total cost-sharing that may be incurred by an individual in
26 a year.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
28 effect October 1, 2004.